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SUBJECT: POLITICAL REFORM UNLIKELY IN "THOUGHT LIBERATION"
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Classified By: Deputy Political Section Chief Ben Moeling. Reasons 1.4
(b/d).

[1](#)1. (U) This cable contains input and reporting from
Consulate General Guangzhou as well as Embassy Beijing.

[1](#)2. (C) Summary: Calls for reform and new ways of thinking by
a powerful and rising young Communist Party leader have
triggered speculation (and hope) that the Party may be
considering major changes in China's political system as the
focus of the next era of reform. But while the calls for
"thought liberation" (jiefang sixiang) echo the lofty
language Deng Xiaoping used to justify truly revolutionary
ideological changes, Embassy contacts say the reality of
Guangdong Party Secretary (and Politburo member) Wang Yang's
proposals is more prosaic and falls short of far-reaching
political reform. Nonetheless, the movement liberal
reformers have hopefully dubbed the "third emancipation of
the mind" is significant as an incremental reform step, for
what it tells us about a possible next generation leader and
for the light it has shined on Chinese political dynamics and
economic development policies, especially in the south.
Contacts say that Party General Secretary Hu Jintao is
solidly behind Wang's campaign and that the Party's Third
Plenum this fall may provide clues to the policy content of
the "mind emancipation" slogan. End Summary.

"Mind Emancipation" Prompts Political Reform Hopes

[1](#)3. (C) Guangdong Party Secretary and Politburo Member Wang
Yang generated an immediate buzz among liberal reform circles
in Beijing when he called on Guangdong cadres to "emancipate
(their) minds" (jiefang sixiang, also translated as "liberate
thinking") in his first major speech as Party chief on
December 25 last year. Reformers, Embassy contacts said,
dubbed the ensuing propaganda campaign "the third
emancipation of the mind" and interpreted Wang's efforts as a
call for political reform. (Note: The reference to a
"third" emancipation of the mind implies that the leadership
is posed for a new breakthrough in reform akin to former
paramount leader Deng Xiaoping's rejection of Maoism in the
late 1970s (his "first emancipation of the mind") and his
decision to establish a market economy in 1992 (the "second
emancipation of the mind"). Deng coined the slogan
"emancipation of the mind" to justify pragmatic decision
making and defend policies that were inconsistent with
previous ideological dictates. The leadership uses

"emancipation of the mind" to benefit from Deng's ideological authority but has stopped short of calling it the "third" emancipation, which would exaggerate this movement's significance.)

14. (C) Wang followed with another major speech in February in which he called for "bravery" in the face of a "bloody battle" to change cadre thinking. He led a delegation of 70 senior provincial officials on a tour of Shanghai, Zhejiang and Jiangsu to view East China's best practices (Ref A). In March, he gave the "emancipation" idea a strong boost in comments to the Guangdong delegation to the National People's Congress. In April, he promoted the concept in visits to pilot reform projects in the province and the Shenzhen Special Economic Zone. At a plenum of the Guangdong Provincial Party committee on June 17-18, Wang called on Guangdong to be an "experimental zone" and "pace setter" for advancing Hu Jintao's balanced "Scientific Development Concept" model of development (Refs G-J). Expectations for political reform were further raised when liberal intellectuals from Beijing and Shanghai were invited to Guangdong to lecture on mind emancipation and political reform in February and March, events that were reported in detail by the reform-minded Guangdong Party papers, Southern Metropolitan Daily and Southern Weekend.

15. (C) Freelance journalist Chen Jieren (protect), a nephew of Politburo Standing Committee member He Guoqiang, told PolOff in February that Wang's propaganda drive may signal experimentation in the political arena as radical as Deng's economic policy breakthroughs in 1978. Chen hypothesized that the Center may be "searching for the next Wan Li" in

BEIJING 00002766 002 OF 005

political reform. (Note: Wan Li, Party secretary in Anhui in the late 1970s, allowed peasants to dismantle communes and set up a household-based contract system which later became the national model for rural reform.) These hopes remain high in some reform circles, despite mounting evidence that Wang's initiative is not a harbinger of far-reaching political reform. As recently as July 3, Cai Jinyong of Goldman Sachs (protect), told the U.S. Consul General in Shanghai that Wang is "worth keeping an eye on" for his "bold ideas" for political reform (Ref F).

The Pessimists' View

16. (C) Beijing contacts are more pessimistic. Beijing bureau chief for the Guangdong Party Committee newspapers, Fang Jinyu (protect), told PolOff on April 14 that while some have attributed a political reform agenda to Wang, that is not the case. He noted that the intellectuals who lectured on political reform in Guangdong earlier in the year were invited by the province's reform-minded newspapers, not by Wang, and that liberal intellectuals are pushing their own political reform agenda under the rubric of "The Third Emancipation of the Mind." Chen Jieren, who had been optimistic about the potential for major political reform in February, had become skeptical by May. He told PolOff then that Wang's actions appeared simply to be part of a "typical" China Youth League (CYL) propaganda campaign, "all slogans, but very little substance."

17. (C) In a meeting with PolOffs on June 17, Tsinghua University social historian Qin Hui (protect), a participant in the February and March Guangdong seminars, agreed that liberal intellectuals were quick to interpret the "Third Emancipation of the Mind" slogan as part of a new push for political reform, but that in reality, "no one knows what it means." Qin said that he and others were invited to talk to the seminars on "mind emancipation" by various Guangdong entities, including local newspapers, an unnamed liberal member of the Guangdong CPC Propaganda Department and local enterprises, but not by Wang Yang. Qin was reluctant to discuss the extent to which political reform was the topic of

these discussions, but he did say that his three talks indirectly addressed the issue, including criticism of Party policy.

18. (C) Other contacts concurred that there might be a political dimension to Wang's reforms, but that political change would not be the centerpiece. Fang Jinyu speculated that Wang may be looking for "political lessons" in Hong Kong and Singapore, but said there will be no "special political zone" analogous to the Shenzhen Special Economic Zone, as some reports have alleged. Wang's focus will be on economic development and reform, Fang said, areas where Guangdong has "lost ground." Fang thought Wang might also roll back the tight media restrictions imposed by his predecessor Zhang Dejiang, allowing provincial media to again "push open the door." He Zengke (protect), prominent specialist on local political reform at Beijing University and the Central Committee think tank, the Central Compilation and Translation Bureau, told PolOff on April 8 that unspecified aspects of political reform are included in Wang Yang's program, along with administrative reform and an emphasis on public service. He cautioned that these aspects do not constitute a major development.

Shenzhen Remains Focus of Hope

19. (C) Although Wang Yang himself was cited by PRC media in April as stating that Shenzhen will not be showcased as a "special political zone," (Ref I) and despite perceptions that Wang is not likely to push meaningful political reforms, there are some indications that Shenzhen will become a pilot for popularizing the next wave of reform, possibly including political reform. The Central Government's official English-language website, Zhongguo Wang, posted an article on July 4 reporting that the Shenzhen authorities had issued a draft 19-point reform plan, eight points of which focus on "political, governmental and administrative reforms." The political reforms include establishing fixed terms for Party Congress delegates at the district level, creating a tenure system for deputies to Party congresses and holding competitive inner-Party elections. (Comment: While these "inner-Party democracy" ideas have been under discussion for some time and pilot projects are underway in some provinces, implementing them in a higher-profile location such as Shenzhen suggests they are gaining greater traction in the minds of political leaders in Beijing.) However, the website article cautioned that these reforms are only "on the drawing board" and will not be implemented soon. Chu Shulong, Deputy

BEIJING 00002766 003 OF 005

Director of Tsinghua University's Institute of International Strategic and Development Studies, is more hopeful. He told PolOff on July 11 that the Shenzhen political reforms are "real."

Reputation Building for Wang Yang, and for Guangdong

110. (C) Wang Yang's focus, our Beijing contacts agree, is economics. In a meeting with PolOffs on April 17, Deputy Director of the Political Studies Institute at the Chinese Academy of Social Science (CASS) Fang Ning (protect) said that this year's 30th anniversary of reform and opening provides Wang with a perfect platform from which to launch an effort to restore Guangdong's reputation as the nation's pacesetter in economic reform. The goal of Wang's efforts, Fang Ning said, will be to reestablish Guangdong as the engine of economic development. In his speeches, Wang has emphasized the pivotal role of Guangdong in Deng Xiaoping's famous "Southern Tour" to Shenzhen in 1992, which launched China's transition to a market economy. Fang said Wang will also be looking at Hong Kong as a source of ideas, and at broader regional integration, especially between Hong Kong and Shenzhen. He Zengke also emphasized Wang's interest in regional interactions, such as relations among Guangdong,

Hong Kong and Singapore. Singapore, He Zengke said, may be a good example for what Wang is trying to achieve.

¶11. (C) Zhong Weizhi (protect), editor-in-chief of the influential privately funded newspaper, Economic Observer, told PolOff on April 16 that Wang's "third emancipation of the mind" is "all about economics." Guangdong, he claimed, is lagging behind other areas in economic development and is seeking new ways to spur growth. In a meeting with PolOff on July 2, Zhang Xiaojin (protect), Associate Dean of People's University's School of International Studies, agreed that Guangdong has not maintained its economic dynamism relative to other areas, and despite its early history as a pacesetter in reform it now "lags behind in all reform areas." He noted that Guangdong lacks the political reform pilot projects underway at the local level in Sichuan, Zhejiang, and Jiangsu. (Note: Ref C reports that there are some political reform initiatives underway in Guangdong but they are plagued with problems.) Lastly, Zhang said, Guangdong has a "huge budget," so it can afford to throw money at economic reform. Tsinghua's Chu Shulong, who had just returned from Guangzhou, said that Wang Yang is pushing for changes in Guangdong's economic structure because the labor-intensive model is no longer working. Inflation, damage to the environment and the new labor law are causing factories to fail. (Ref B notes that Wang's ambitious agenda includes improving the quality of life in poor areas, transforming industry in the Pearl River Delta, rationalizing energy use, protecting the environment and changing the way all citizens think about contributing to society. Ref D reports that the heart of Wang's economic agenda is his "double transfer" policy, which aims at moving labor-intensive industries and migrant labor to less developed areas of Guangdong or out of the province entirely.)

Wang Yang's Gambit or Hu Jintao's?

¶12. (C) Our contacts offered varying interpretations of the political dynamics behind Wang Yang's move, but, like Guangdong academics, (Refs A and C) they do not believe that Wang Yang is acting on his own initiative. Professor Qin Hui of Tsinghua said that as a new Party Secretary from outside Guangdong, Wang would not dare take such a bold move on his own. In Qin's view, Wang is floating a "trial balloon" on behalf of the central leadership to create an atmosphere for experimentation and pragmatic reform. Tsinghua's Chu Shulong went further in discussing the Shenzhen political reform plan, claiming that it is directed from the Center and is not part of Wang Yang's initiative. Fang Jinyu of the Southern Daily Newspaper Group and CASS's Fang Ning agreed that Wang has the Center's backing for his "emancipation" campaign but added that Wang's political ambition is also a key motivating factor. Fang Jinyu asserted that Wang is "very ambitious" and wants to "make his mark" by putting Guangdong back in the forefront of economic development and reform. Fang Ning separately agreed, stating to PolOff that Wang wants "to make a name for himself" by putting Guangdong "back on the map" of reform.

¶13. (C) Zhang Xiaojin speculated that Wang is being groomed for elevation to the Politburo Standing Committee at the 18th Congress by Hu Jintao and that the Guangdong "emancipation" campaign was part of this process. With its large budget and need for major reform projects, Guangdong is a good place for Wang to make his mark, Zhang asserted. Zhang drew

BEIJING 00002766 004 OF 005

parallels with the career of former Jiangsu Party Secretary Li Yuanhao, a Hu protege who was promoted to the Politburo at the 17th Party Congress last fall. Li was given an opportunity to prove himself in Jiangsu, according to Zhang, by presiding over political reform pilots in the province. Wang is at the "kickoff" stage, i.e. the propaganda and ideology stage, of his tenure in Guangdong, and as such, he will "say much more than he will be able to do" at this point

and will wait until the Olympics are over before unveiling concrete plans, Zhang said.

Blowback from Guangdong Political Establishment?

¶14. (C) Qin Hui asserted to PolOffs that the local Guangdong political establishment is not happy with Wang Yang's reform campaign, and leaders are resisting the implied criticism of the existing power structure. In particular, Qin claimed, there is considerable tension between Wang and Guangdong's Governor Huang Huahua. However, Qin predicted, local leaders will sooner or later fall in line. According to other contacts (Ref D), Wang has received "sharp" criticism from local Government and business officials who have interpreted his "emancipation" speeches as an attack on Guangdong's establishment. The contacts also claim that Wang, in his effort to implement aggressively Hu Jintao's balanced development policy (the "Scientific Development Concept"), is meeting passive resistance from Huang, who fears that taking account of environmental concerns will curtail economic growth.

The Big Picture: Hu's "Emancipation" Agenda

¶15. (C) Hu is using this year's commemoration of the 30th anniversary of Deng Xiaoping's landmark inauguration of the era of "reform and opening up" to maintain the momentum of economic growth, undermine critics of market reforms and give local Party Secretaries political cover to innovate and experiment, contacts agree. Use of the term "emancipation of the mind" invokes Deng's political authority; beyond this, no one knows what "emancipation of the mind" means or whether Hu is signaling a move to a new level of reform. Central Party School academic Liu Dexi (protect) told PolOff in April that he has "no idea" what Hu's emancipation of the mind is all about but guesses it is a reaction to continuing attacks from the Left and a signal that market reform will continue. Fang Jinyu said Hu's emphasis on mind emancipation is intended to create a climate of innovation and to encourage local levels to experiment and reform, but that there is no specific agenda. He Zengke agreed that in this commemorative year, the slogan indicates an intent to keep the reform drive going, but added the caveat that officials will interpret the slogan in different ways to serve their own interests.

¶16. (C) Zhang Xiaojin of People's University said there is considerable anticipation among China's policy intellectuals that Hu's strong emphasis on "emancipating the mind" and the Party's preparations for a December commemoration of Deng's breakthrough achievements imply that the leadership is considering a bold new initiative in reform. However, other than general agreement that "emancipation" will be "multi-faceted," no one knows what it means. Zhang said that one can normally get the inside story from well-connected friends, but this time there is little information floating about. Although Deng, too, talked in terms of abstruse political slogans during the "kickoff" stages of the first and second emancipation movements, his objectives were clear, and everyone knew where he was going. Hu's stated goal of creating a "socialist harmonious society," meanwhile, remains vague. Chu Shulong doubted there would be a "third emancipation of the mind," noting that there does not appear to be serious thinking at high levels about including major political liberalization in the current reform agenda. The Economic Observer's Zhou explained that with economic growth high and society stable, leaders have no incentive to risk political reform.

Third Plenum as Indicator?

¶17. (C) Zhang speculated that the leadership's total focus on the Olympics is one reason for the relative lack of clarity on the reform agenda. He said that once the Games have concluded, he expects a resurgence of reform rhetoric, including the slogan "emancipate the mind," as the Party

prepares to commemorate the reform anniversary in December. In particular, he surmised, the policy statements of the Third Plenum of the 17th Central Committee slated for this fall may provide some indication of where the leadership is headed. Zhang speculated that this Plenum might not have an

BEIJING 00002766 005 OF 005

exclusively economic focus, unlike Third Plenums in the past, because drafters of plenum documents this year include specialists on local-level political reform. He said his friend Zhan Chengfu (protect), director of the office in the Ministry of Civil Affairs responsible for grassroots political arrangements, has been sequestered with other plenum drafters for a year, a highly unusual turn of events.

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